

**STATE RISK MANAGEMENT WORKERS COMPENSATION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2006**

	October-06				September-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Quarter	Net ROR	FYTD	FY06	Ended	Ended
									Net	Net	6/30/2006	6/30/2006
											Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
Los Angeles Capital	160,345	4.0%	4.2%	4.34%	157,718	4.0%	4.2%	1.60%	6.01%	11.12%	N/A	N/A
<b>Total Structured Growth</b>	<b>160,345</b>	<b>4.0%</b>	<b>4.2%</b>	<b>4.34%</b>	<b>157,718</b>	<b>4.0%</b>	<b>4.2%</b>	<b>1.60%</b>	<b>6.01%</b>	<b>11.12%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000 Growth</i>				3.52%				3.94%	7.59%	6.12%	N/A	N/A
<i>Structured Value</i>												
<b>LSV</b>	<b>175,219</b>	<b>4.4%</b>	<b>4.2%</b>	<b>3.46%</b>	<b>173,783</b>	<b>4.4%</b>	<b>4.2%</b>	<b>4.90%</b>	<b>8.53%</b>	<b>15.05%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000 Value</i>				3.27%				6.22%	9.70%	12.10%	N/A	N/A
<i>Russell 1000 Enhanced Index</i>												
<b>LA Capital</b>	<b>335,257</b>	<b>8.4%</b>	<b>8.3%</b>	<b>4.00%</b>	<b>314,595</b>	<b>8.0%</b>	<b>8.3%</b>	<b>3.71%</b>	<b>7.86%</b>	<b>11.58%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				3.40%				5.06%	8.62%	9.08%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>												
<b>Westridge</b>	<b>338,096</b>	<b>8.5%</b>	<b>8.3%</b>	<b>3.29%</b>	<b>335,928</b>	<b>8.6%</b>	<b>8.3%</b>	<b>5.75%</b>	<b>9.22%</b>	<b>8.77%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				3.26%				5.67%	9.11%	8.63%	N/A	N/A
<i>Index</i>												
State Street	117,994			3.77%	116,697			5.78%	9.77%	9.51%	N/A	N/A
<b>Total 130/30</b>	<b>117,994</b>	<b>3.0%</b>	<b>2.8%</b>	<b>3.77%</b>	<b>116,697</b>	<b>3.0%</b>	<b>2.8%</b>	<b>5.78%</b>	<b>9.77%</b>	<b>9.51%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				3.26%				5.67%	9.11%	8.63%	N/A	N/A
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>1,126,912</b>	<b>28.2%</b>	<b>27.8%</b>	<b>3.72%</b>	<b>1,098,721</b>	<b>28.1%</b>	<b>27.8%</b>	<b>4.49%</b>	<b>8.38%</b>	<b>10.95%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				3.26%				5.67%	9.11%	8.63%	N/A	N/A
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
<b>SEI</b>	<b>381,521</b>	<b>9.6%</b>	<b>9.3%</b>	<b>5.47%</b>	<b>361,694</b>	<b>9.2%</b>	<b>9.3%</b>	<b>-0.01%</b>	<b>5.46%</b>	<b>13.58%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 2000 + 200bp</i>				5.92%				0.94%	6.92%	16.86%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>381,521</b>	<b>9.6%</b>	<b>9.3%</b>	<b>5.47%</b>	<b>361,694</b>	<b>9.2%</b>	<b>9.3%</b>	<b>-0.01%</b>	<b>5.46%</b>	<b>13.58%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 2000</i>				5.76%				0.44%	6.22%	14.58%	N/A	N/A
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
<b>Western Asset</b>	<b>814,515</b>	<b>20.4%</b>	<b>20.7%</b>	<b>0.90%</b>	<b>806,190</b>	<b>20.6%</b>	<b>20.7%</b>	<b>4.45%</b>	<b>5.39%</b>	<b>-0.90%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate</i>				0.66%				3.81%	4.49%	-0.81%	N/A	N/A
<i>Core Plus/Enhanced</i>												
Clifton Group	186,874	4.7%	4.8%	0.52%	185,957	4.8%	4.8%	N/A	N/A	N/A	N/A	N/A
Prudential	186,015	4.7%	4.8%	1.03%	183,881	4.7%	4.8%	N/A	N/A	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>372,889</b>	<b>9.3%</b>	<b>9.6%</b>	<b>0.77%</b>	<b>369,837</b>	<b>9.5%</b>	<b>9.6%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate</i>				0.66%				3.81%				
<i>Index</i>												
<b>Bank of ND</b>	<b>357,110</b>	<b>8.9%</b>	<b>9.0%</b>	<b>0.61%</b>	<b>354,587</b>	<b>9.1%</b>	<b>9.0%</b>	<b>3.10%</b>	<b>3.73%</b>	<b>-1.14%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Govt/Credit (1)</i>				0.63%				3.91%	4.57%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>												
<b>Wells Capital (formerly Strong)</b>	<b>814,601</b>	<b>20.4%</b>	<b>20.7%</b>	<b>0.96%</b>	<b>805,972</b>	<b>20.6%</b>	<b>20.7%</b>	<b>4.60%</b>	<b>5.60%</b>	<b>-2.11%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman US Credit BAA</i>				0.89%				4.80%	5.73%	-2.37%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>2,359,115</b>	<b>59.1%</b>	<b>60.0%</b>	<b>0.86%</b>	<b>2,336,586</b>	<b>59.7%</b>	<b>60.0%</b>	<b>4.28%</b>	<b>5.18%</b>	<b>-1.39%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate (2)</i>				0.66%				3.81%	4.49%	-0.81%	N/A	N/A
<b>CASH EQUIVALENTS</b>												
<b>Bank of ND</b>	<b>126,779</b>	<b>3.2%</b>	<b>3.0%</b>	<b>0.44%</b>	<b>115,196</b>	<b>2.9%</b>	<b>3.0%</b>	<b>1.35%</b>	<b>1.79%</b>	<b>4.50%</b>	<b>N/A</b>	<b>N/A</b>
<i>90 Day T-Bill</i>				0.38%				1.33%	1.71%	4.00%	N/A	N/A
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>3,994,327</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.08%</b>	<b>3,912,197</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.87%</b>	<b>6.03%</b>	<b>3.25%</b>	<b>N/A</b>	<b>N/A</b>
<i>POLICY TARGET BENCHMARK</i>				1.85%				3.94%	5.86%	3.37%	N/A	N/A

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.